

Revenue Strategies in Rural Health Clinics- Making the Most of Your Resources and Time

**Deborah Holzmark
Senior Manager**

**Physician Services Consulting Group
Dixon Hughes PLLC**

dholzmark@dixon-hughes.com

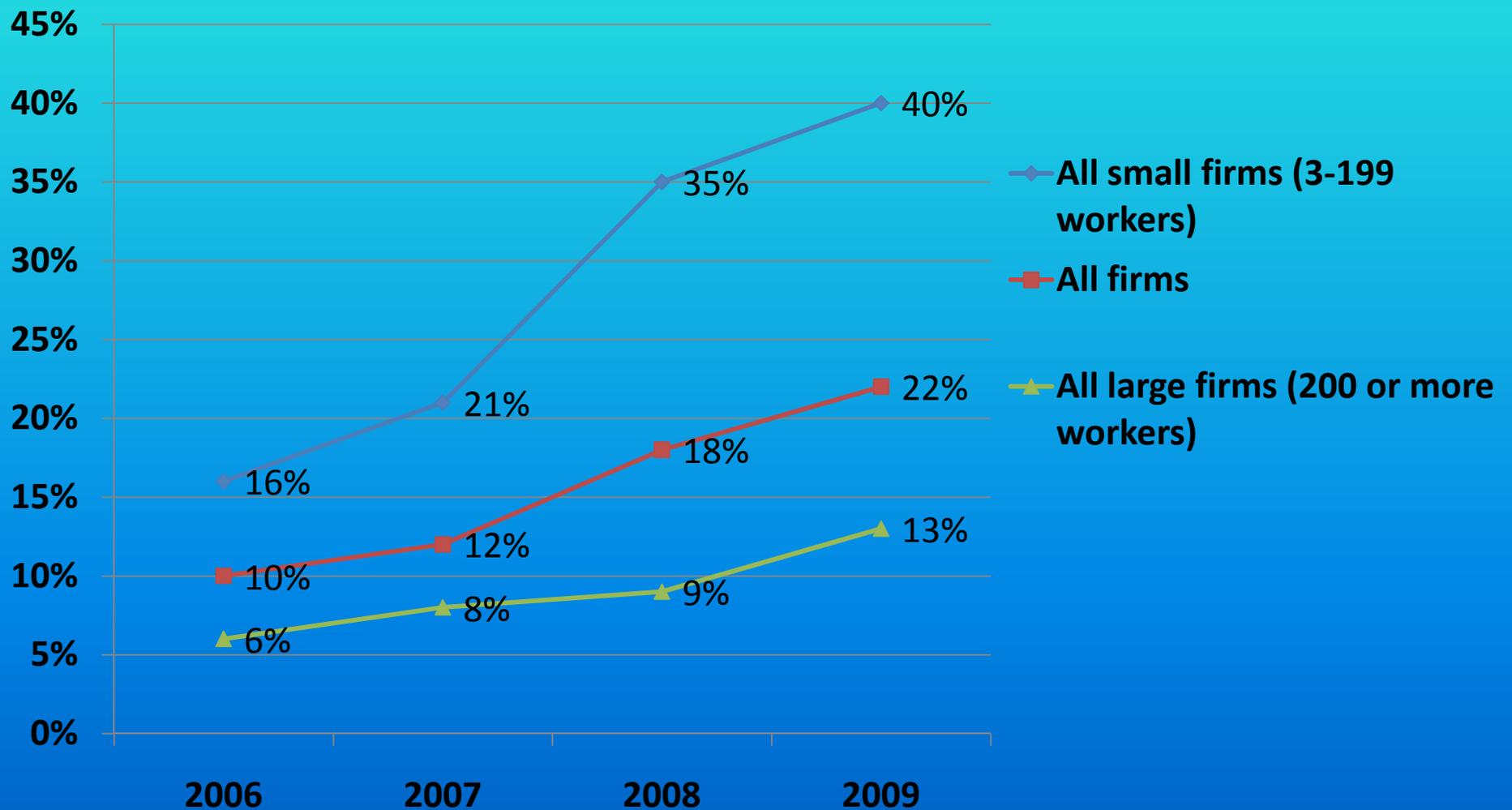
Agenda

- Why is it getting so hard?
- Making the Most of It
 - Patient Collections and Time of Service Collections
 - Managed Care Contracts
 - Provider Production and Compensation
 - Coding
 - Technology
 - Work Flow
- Motivation Guidance
- Questions to ask....

Why?

- Market Consolidation
 - Fewer payors = less competition
 - Lowering of the reimbursement bar
- Managed Care Maturation
 - Added complexities
 - Medicare Advantage Plans
- Reimbursement Deterioration
 - Changing edits
 - Lower flat reimbursements
- Limited revenue enhancement opportunities

Percent of insured workers with a deductible of \$1,000 or more for single coverage



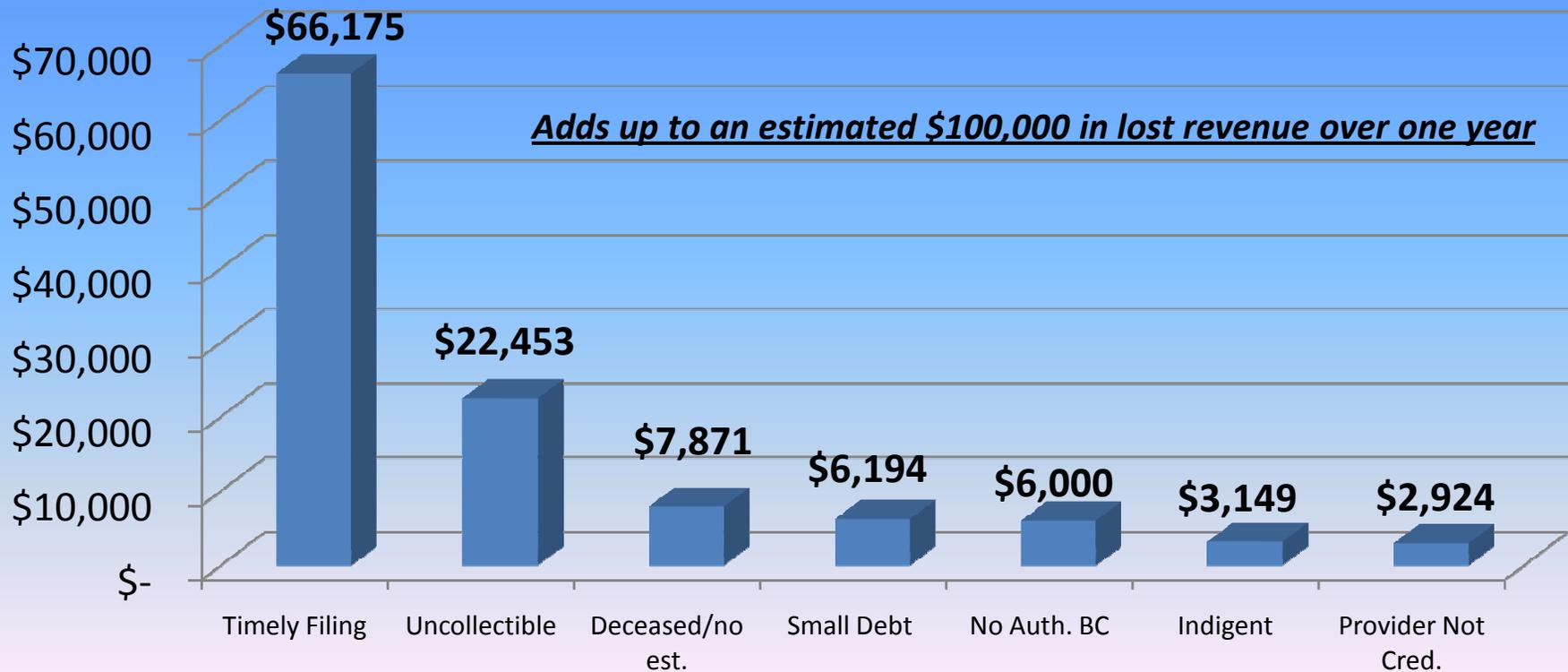
Uncollected Patient Balances

- Why are all these dollars being written off?
(by each physician)
 - Uncollected Copays
 - Uncollected Coinsurance
 - Deductibles for surgeries
 - No Coverage
 - ER call cases
 - Timely Filing
 - No Authorization
 - Many \$\$\$ were from patients WITH insurance

Unexpected Adjustments

Unexpected Adjustment Comparison

Source : January - June 2009 Billing Manager Report



Time of Service Collections

- Why is this so important to track?
 - Medical Bills – bottom of the priority list
 - Folks will first pay the essentials
 - “Wealth Without Risk” by Charles Givens
 - Page 21-22 – don’t pay your medical bills – interest free
 - Patients feel it is a RIGHT not a privilege
 - Consumer Driven HealthCare
 - We enable this behavior

Time of Service Collections

- Most practice AR is patient responsibility = about 50% over 120 days and older
 - Old payment plans
 - No statement accounts
 - The “black hole”
- The longer it ages...the less likely we will ever collect
- The “best” collect payment at time of service **75%-90%** of the time...

Real Time Claim Adjudication

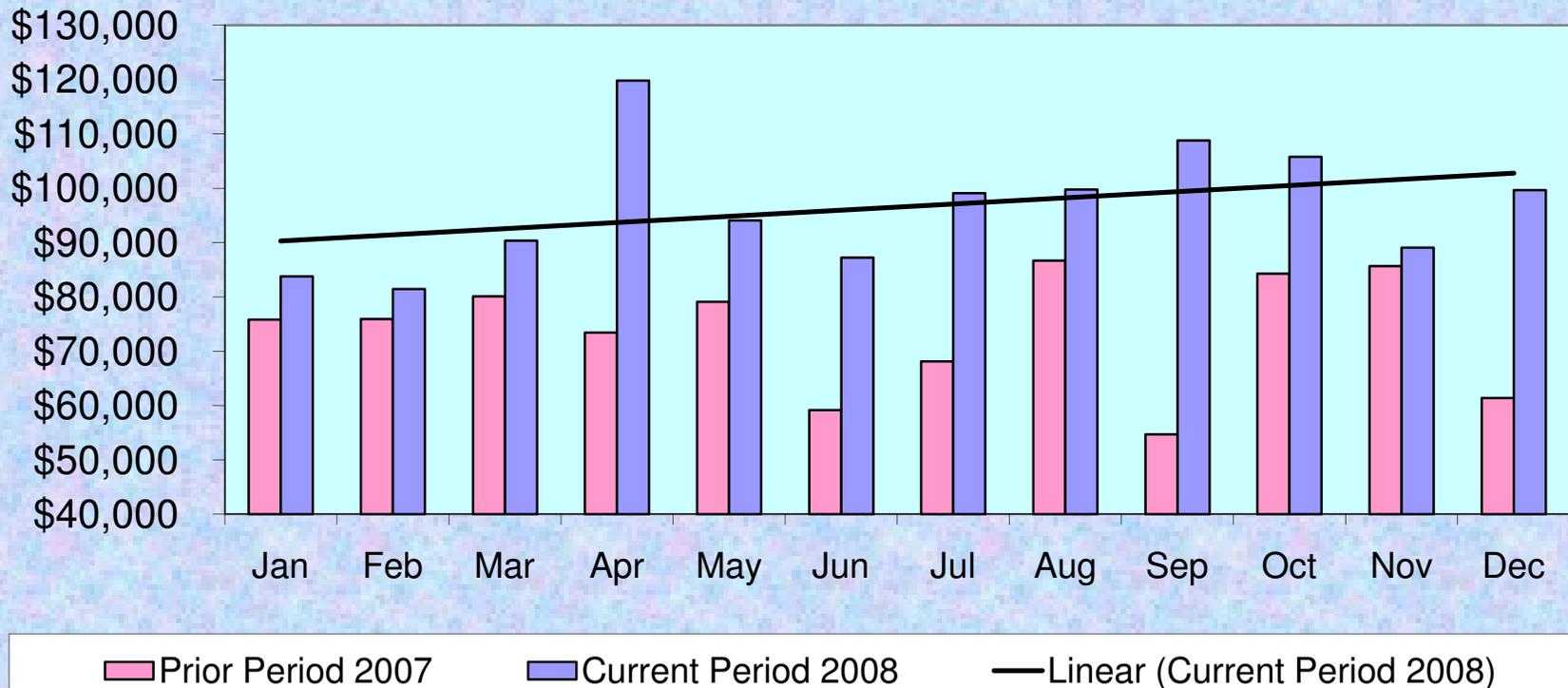
- Just imagine...
 - Adjudicating a claim at the time of service
 - Handing the patient their EOB at check out
 - Collecting their responsibility
 - Never shows up on the AR
 - No letters or phone calls
 - No statements
 - Patients & Staff are happier



Trend your TOS Efforts

Comparison Time of Service Collections

Source: PM Reports



Claims Management Benchmarks

Submission

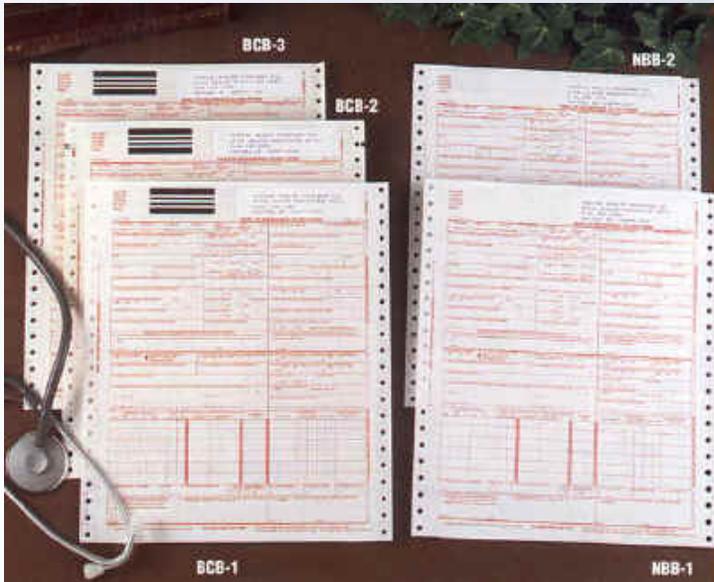
- Daily
- Electronically at least 90%

Lag Times

- Charge Entry – Submission < 72 hours
- Service to Charge Entry < 48 hours

Denials

- < 5% on 1st submission
- Appeals Filed within 5 days of posting



The Physician Billing Process: 12 Potholes to Avoid in the Road to Getting Paid 2009 Edition Walker, Woodcock, Larch & MGMA Best Practice Survey 2008

Claims Management Benchmarks

Scrubbing

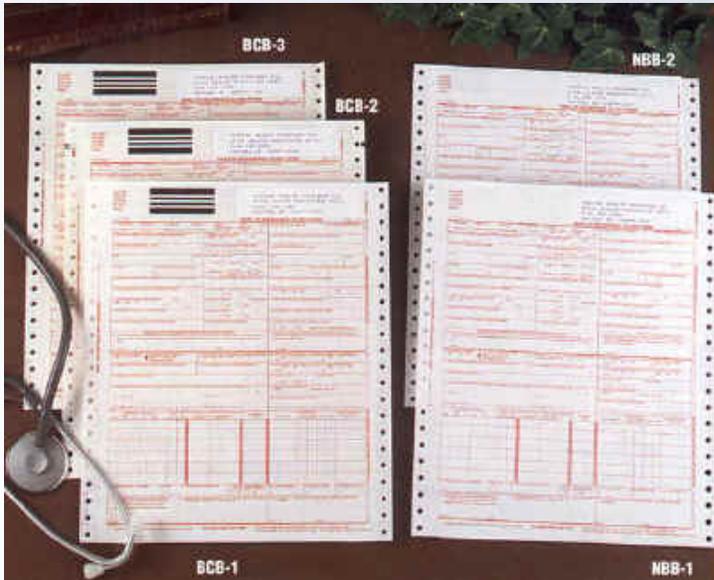
- All Claims
- Verify Eligibility 90%

QA Audit

- 5% per team member per month

Missing Charge Audit

- 10% of claims per month



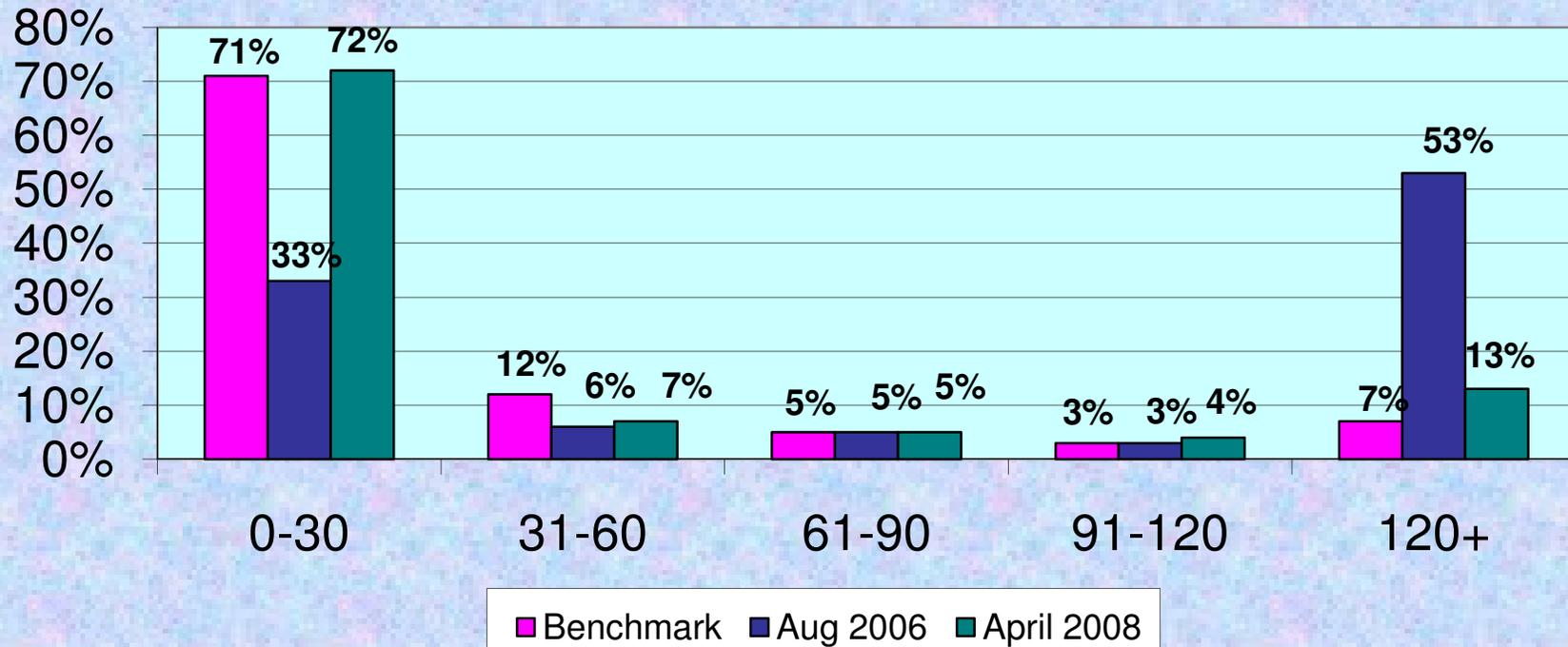
AR Aging

- AR Aging Buckets – look at by Payor
 - What does it tell you?
 - If your dollars are aging in a consistent manner comparable to peers
 - What impacts this number?
 - System aging parameters
 - Collections Activities
 - Bad Debt
 - Payor Delays
 - Appeals

AR Aging

Benchmark Comparison A/R Aging

Source: PM Reports & MGMA Better Performers Survey 2008



Managed Care Contracts

- Many practices sign what comes across the desk
- Most do not renegotiate annually – and this hurts us ALL
- Large majority do not have fee schedules loaded – how plans make millions.....
- You would be surprised at how many practices have charges below fee schedules...

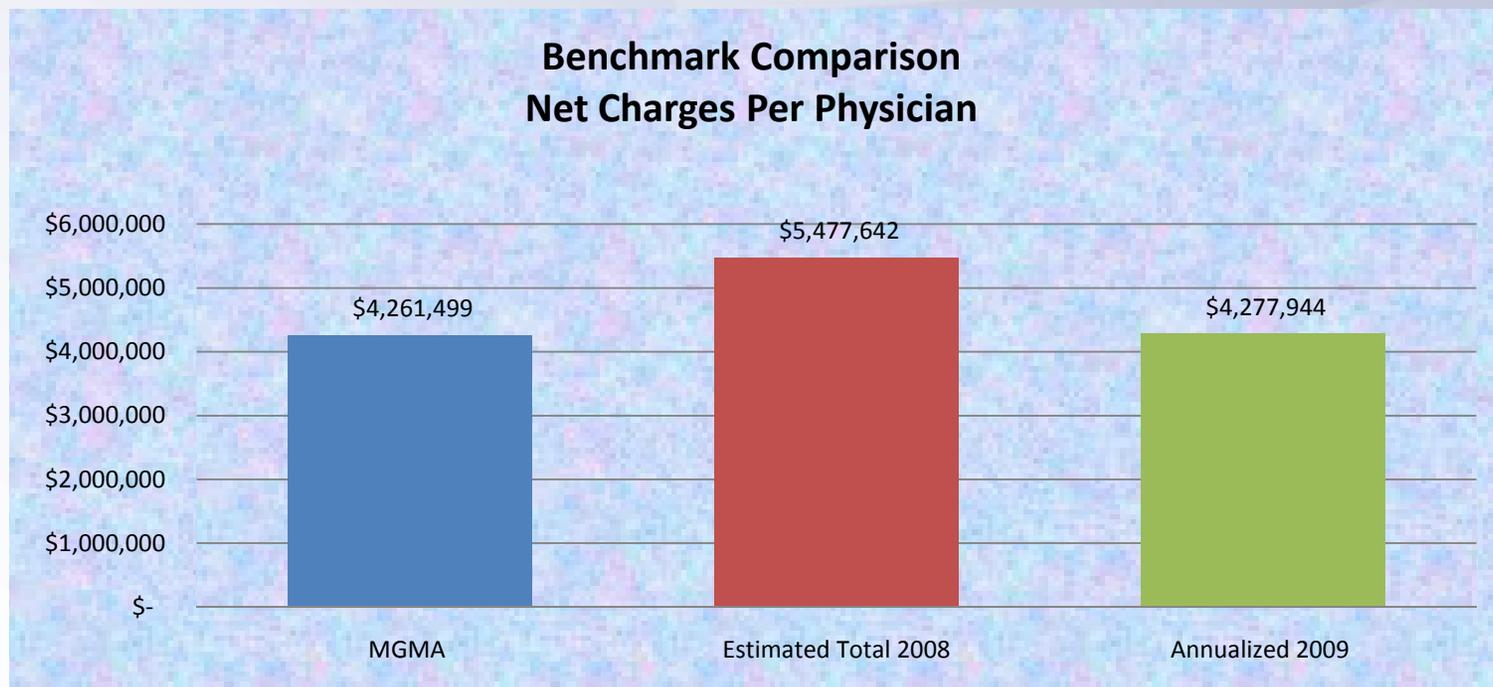


Payor Report Card

	Gross Collections	Adjusted Collections	AR Days	AR 120+	% Payor Mix Current	% Payor Mix Prior Period	Hassle Factor (A-F)
Payer 1	38%	115%	42	10%	17%	12%	C
Payer 2	36%	69%	79	35%	1%	1%	D
Payer 3	29%	97%	56	22%	2%	3%	D
Payer 4	51%	85%	51	18%	13%	17%	C
Payer 5	32%	84%	40	9%	3%	3%	C
Payer 6	18%	105%	63	8%	61%	61%	B

Production and Compensation

- Perception and Reality
 - I am working harder than I did last year!



Production and Compensation

- Scheduling
 - Have there been changes in scheduling templates?
 - Has EMR implementation impacted scheduling?
 - How long until the next available appointment for a new patient?
 - How long until the next available appointment for an existing patient?
 - What are the parameters for closing to new patients?
 - How do you deal with urgent needs?
 - What are the hours of availability?

Production and Compensation

- Incentive aligned?
 - Equal shares
 - “eat what you kill”
 - Modified “eat what you kill”
 - Straight production/RVU/other methods
- The changing model- lifestyle over income
- Compensation and part time physicians
- Compensation and nearing retirement physicians

Coding

- Since 1996 Centers for Medicare & Medicaid Services (CMS) has implemented several initiatives to prevent improper payments before the claim is processed. The overall goal of CMS' claim review programs are to reduce payment error by identifying and addressing billing error concerning coverage and coding made by providers
- This is just the beginning...

Coding



- May 2008 Medicare FFS Payments Report- Shows that 3.7% of Medicare dollars paid did not comply with one or more Medicare coverage, coding, billing or payment rules. This equates to \$10.2 billion in Medicare overpayments and underpayments annually

Coding

- The old and new faces of government audits:
- RAC- Recovery Audit Contractors
- CERT- Comprehensive Error Rate Testing
- Carrier/FI- Medical Records Reviews
- Pre-Payment Reviews- National Correct Coding Initiatives, Medically Unlikely Events
- MICs- Medicaid Integrity Contractors
- Private Payors- Fraud and Abuse Units

Coding



- Moving from reactive to proactive
 - **Your risks have increased significantly!**
 - Internal data audits
 - Internal documentation audits
 - Internal billing audits
 - Strong billing policies and procedures
 - Peer review and response to offenses

Coding

- Medicare CERT appeals
 - The never ending history
 - LCD issues
 - Medical Necessity trumps all
 - Where oh where are the records?

Technology

- EMR and the stimulus package
 - Costs versus benefits
 - “meaningful use”
 - True process change versus EMR dump
 - The real costs associated with EMR
 - Moving rapidly into the second phase of utilization

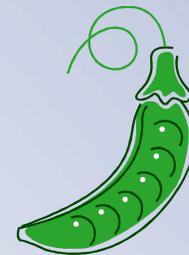
Technology

- PM Systems
 - Reporting capabilities
 - Reporting expertise
 - Can you truly manage without data?
 - The Training Soapbox



Workflow

- The copier story
- The long long walk
- The segregated pods



Workflow

- The big opportunities, can you find them?
 - Live the experience!
 - Moving resources to the patient – pushing not pulling
 - Touching things once
 - Everything at my fingertips

Motivation Guidance

- Incentive Plans
 - Statistics?
 - Who is included?
 - How much \$?
 - How often?
 - Other ideas?
 - The best things in life are....

Questions to Ask....

- What are your “unexpected adjustments” and what would they represent if you could turn them into \$\$
- What are your most common denials? Do you know your denial rate?
- Can you verify eligibility electronically?
- Are your fee schedules loaded?
- How much are you collecting at TOS?
- Is your financial policy clear and provided to the patient?
- How do you handle discounted/free services? Is it consistent?

Questions to Ask....

- Ask your staff – “How do you know if you are doing a ‘good job’?”
- How much are you recovering from your collection agency?
- What are the most common reasons you turn things over to collections?

Questions to Ask...

- Where is production today compared to this time last year? Do I understand what is positively/negatively impacting this?
- What is my biggest risk in a coding audit? Do my providers really understand the rules?
- What is the best way I am using technology?
- What is my biggest challenge in technology?
- When was the last time my staff had training on the PM system?

Questions to Ask...

- Does our floorplan and workflow support/improve patient satisfaction?
 - Provider satisfaction?
 - Limit the steps patients make?
 - Limit the steps staff makes?
 - Provide privacy?
 - Make the staff and providers more efficient?

Questions?

Deborah Holzmark, RN, MBA, CPHQ,
MCS-P, CMPE

dholzmark@dixon-hughes.com

828.775.3687